



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

**IADD BOARD MEETING MINUTES**

**Iowa Finance Authority**  
**2015 Grand Avenue, Des Moines, Iowa**  
**September 29, 2015**

**Board Members Present**

Mark Leonard, Chair	John Fredrickson
Lyle Borg, Vice Chair	Annette Townsley
Stacie Euker	

**Board Members Absent**

None

**Staff Members Present**

Lori Beary, Community Development Director	Tammy Nebola, IADD Program Specialist
Steve Ferguson, IADD Program Specialist	Michelle Thomas, Accounting Manager
Tim Jansen, Accounting Manager	

**Others Present**

None

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**CALL TO ORDER**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on September 29, 2015 at 8:30 am. A quorum was established with the following Board Members present: Leonard, Borg, Euker, Fredrickson and Townsley.

**REVIEW OF MINUTES OF AUGUST 21, 2015 BOARD MEETING**

Mr. Leonard presented the minutes of the August 21, 2015 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes. Lori Beary pointed out that there was a typo on page 2 of the minutes that was corrected.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the minutes of the August 21, 2015 IADD Board meeting, with the noted correction.

**REVIEW OF AUGUST 2015 FINANCIAL STATEMENT**

Tim Jansen announced that he is leaving IFA and introduced Michelle Thomas who will be taking over as IADD accountant. Tim Jansen presented the August 2015 financials. He stated

that for FY16 year-to-date, IADD had operating income of \$82,811 operating expense of \$68,983 and net operating income of \$13,828.

He also updated the Board, using Mark Leonard's bank contact, a CD investment was made of \$250,000 for 18 months at 2.00% with Community Bank in Holstein.

### **MOTION**

On a motion by Mr. Borg and a second by Mr. Fredrickson, the Board unanimously approved the August 2015 financial statement as presented.

### **LOAN PARTICIPATION PROGRAM**

Tammy Nebola presented information on the following loan participation application.

P0205 - Lewis Johnson. The LPP application is for \$150,000. The borrower will construct a 2,400 Hd Hog Finishing Building. Total project cost is \$650,000. The bank is First National Bank in Primghar.

### **MOTION**

On a motion by Ms. Euken and a second by Ms. Townsley, the Board unanimously approved the loan participation for Lewis Johnson subject to receiving an Assignment of Feeding Contract.

### **BEGINNING FARMER LOAN APPLICATIONS**

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 15-056 – Dustie J. Tibboel – Beginning farmer loan of \$85,000 to purchase 40 acres of agricultural land, out-buildings and put up fencing in Marion County. The loan will have a 4.50% variable interest rate and a loan length of 30 years. The index will be 1.50% below ISSB Commercial Real Estate Rate. The lender is Iowa State Savings Bank in Knoxville, Iowa.

AG 15-057 – Jason R. Opperman – Beginning farmer loan of \$330,000 to purchase approximately 8 acres of agricultural land and construct a 4,400 Hd Wean to Finish Hog Finishing Confinement Building in Carroll County. The loan will have a 4.25% variable interest rate and a loan length of 12 years. The index will be 85% of the bank's Agriculture Real Estate Rate. The lender is Templeton Savings Bank in Manning, Iowa.

AG 15-058 – Jeremy A. and Cigi Muckler – Beginning farmer loan of \$517,700 to purchase approximately 107.83 acres of agricultural land in Poweshiek County. The loan will have a 3.25% fixed interest rate and a loan length of 25 years. The lender is Grinnell State Bank in Grinnell, Iowa.

AG 15-059 – Brandon D. Ledger – Beginning farmer loan of \$101,900 to purchase approximately 35.43 acres of agricultural land in Van Buren County. The loan will have a 4.69% variable interest rate and a loan length of 30 years. The index will be 75% of the Bank's 10-year 1st mortgage ag real estate rate; fixed for 10 years. The lender is Pilot Grove Savings Bank in Pilot Grove, Iowa.

AG 15-060-I – Scott and Beth Albrecht – Beginning farmer loan of \$517,320 to purchase approximately 79 acres of agricultural land in Fayette County. The loan will have a 4.50% fixed interest rate and a loan length of 25 years. The lender is William and Patricia Albrecht in Maynard, Iowa.

AG 15-061 – Jon H. and Kimberly D. Lubke – Beginning farmer loan of \$146,473 to purchase approximately 55.8 acres of agricultural land in Winneshiek County. The loan will have a 3.95% variable interest rate and a loan length of 30 years. The index will be 80% of CUSB's #2 10 year fixed Ag Real Estate Rate. The lender is CUSB Bank in Ridgeway, Iowa.

AG 15-062 – Seth L. Crozier and Brianna L. Poffenbarger – Beginning farmer loan of \$47,500 to purchase approximately 28 acres of agricultural land in Marion County. The loan will have a 4.65% variable interest rate and a loan length of 30 years. The index will be 1.35% below ISSB Commercial Loan Real Estate Rate. The lender is Iowa State Savings Bank in Knoxville, Iowa.

AG 15-063 – Dane M. Titman – Beginning farmer loan of \$245,000 to purchase approximately 132 acres of agricultural land in Boone County. The loan will have a 2.90% variable interest rate and a loan length of 30 years. The index will be 1.38% above the 5 Year Treasury. The lender is First State Bank in Webster City, Iowa.

#### **MOTION**

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board recommended approval of the BFLP applications.

#### **PUBLIC HEARING ON BEGINNING FARMER LOANS**

A public hearing was held by the IADD Board at the Iowa Finance Authority office on September 29, 2015 at 8:52 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:53 am.

#### **MOTION**

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously recommended approval of the BFLP Bond documents.

#### **BEGINNING FARMER TAX CREDIT APPLICATIONS**

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 40 new BFTC applications for an estimated tax credit amount of \$246,887.10. He noted that of those, 23 are cash rent 16 are crop share and 1 is a hybrid lease.

Several projects were commented on. Mr. Leonard suggested that there may need to be some changes to the Tax Credit Summaries to reflect some of the special circumstances. The Board cannot tell on the summaries who is paying the input costs, and at what percent. He doesn't want to see the program taken advantage of. He feels it is the Boards job to keep the spirit of the program intact and to maintain the intent and integrity. Lori Beary noted that the law states an application can be denied if it is substantially higher or lower than the market rate. She also

noted that if there is other information that the Board would like to see to just let staff know and it can be added to the summary sheet they receive. After much discussion from the Board they decided to have 3 categories of tax credit projects; Cash rents, Standard 50/50 Crop Shares and then all the remaining projects with special circumstances, whether that be a crop share outside of the 50/50 standard, crop input cost concerns or a related party project that staff may have questioned, with the supporting answers. The projects will be sorted and organized in those categories going forward so they can pay special attention to the projects with special circumstances.

#### **MOTION**

On a motion by Mr. Borg and a second by Mr. Fredrickson, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications as presented.

#### **BEGINNING FARMER TAX CREDIT CHANGES**

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were 6 requests to reduce the cash rent and 1 request to substitute the beginning farmer with another eligible beginning farmer.

#### **MOTION**

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously recommended approval of the Beginning Farmer Tax Credit change requests.

#### **MARKETING UPDATE**

Included in the Board packet is the IADD marketing calendar. Mr. Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events. Tammy Nebola noted that the Iowa Banker's Conference booth traffic was slow this year.

#### **OTHER BUSINESS**

#### **DISCUSSION REGARDING CONSIDERATION TO PARTIALLY FUND VETERANS IN AGRICULTURE (VIA)**

Steve Ferguson presented a Preliminary/Draft Report from the September 9<sup>th</sup> VIA Strategic Planning Session. The Board asked if staff would put together a funding proposal to be voted on at the October IADD Board Meeting.

#### **NARRC AND NCOSAFP CONFERENCES**

There was some brief discussion about the NARRC conference, Steve Ferguson stated that it was a very large crowd with 135-140 registrants. There is also a new NARRC liaison with USDA-FSA in Washington, D.C., originally from Mississippi, that attended the conference. The Board asked if there was a report and Mr. Ferguson stated that staff would prepare a written report on both the NCOSAFP and NARRC Conferences for the October Board Meeting.

**NEXT IADD BOARD MEETING**

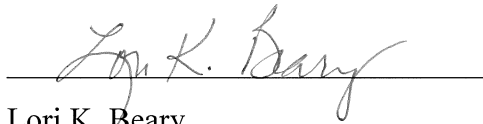
The October IADD Board meeting will be Wednesday, October 28, 2015 at 8:30 am, via conference call.

**ADJOURNMENT**

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the September 29, 2015 meeting of the IADD Board of Directors adjourned at 9:35 am.

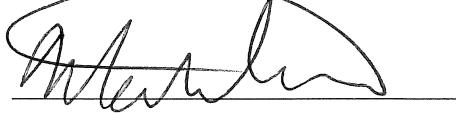
Dated this 29<sup>th</sup> day of September, 2015.

Respectfully submitted:

A handwritten signature in cursive script, appearing to read "Lori K. Beary", is written over a horizontal line.

Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:

A handwritten signature in cursive script, appearing to read "Mark W. Leonard", is written over a horizontal line.

Mark W. Leonard, Chair  
IADD Board